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ANGLO-AUSTRALIAN QUESTIONS.

THE CORRUPT TENDENCIES OF "RESPONSIBLE" GOVERNMENT.

THE COWPER Ministry has expressed an opinion against the use of Boards in Government.

We do not think a subject of such importance should be determined by the one particular case in a general debate. It must be remembered that this discussion related to contracts, and the propriety of overhauling them by a Board. Contracts are a source of corruption in all Governments—one which on several occasions has excited the deepest alarm in England; which once seemed to threaten Parliamentary Government with extinction, or make it the scorn of Europe. So serious is the danger, that the law excludes contractors from Parliament; they are not supposed to be less honest than their neighbours, but the law foresees that their private interests would expose them to temptation, induce complacency with Ministerial schemes, and expose the Legislature to general suspicion. It was seen that nothing is more likely to influence a popular body, than a secret discussion in the acceptance or rejection of contracts—that nothing would be a more prolific source of political trafficking and corruption. In America this tendency seems to be developed already in full proportions. The disclosures at Washington some months ago displayed a precocity of corruption, in so young a State, which forbodes premature decay. Liberty may endure storms, factions, and fightings, but not a system which makes every interest of the country submit to favouritism and bribes. The cry for "popular Government" in this colony is a deceptive cry. It is pernicious, as a diversion of the public mind from the real danger. It is impossible for any one to pretend that the Government being made dependent on the votes of those electors who choose to vote. When the so-called reformers pretend there is some despotic power—some class domineering over the rest, in virtue of rank or wealth—they are merely gulling the populace. No such power does exist, and until some ages have passed, none such will be found in the colonies. The tendency, irrespective of political causes, is to take away from rank and wealth their natural influence in Government, and to give everything into the hands of men who make it their first claim to distinction that they were never educated, but self-taught; never inherited anything, but earned, or otherwise obtained, all they possess. The retirement of all persons not of a certain grade from the administration of Government, is nearly as certain as a physical law. Thus, popular Government will be, not indeed enthroned, but stuck up; and although the individuals pass away, and one ambitious man will press on the heels of another, all history shows that they will be all more and more conformable to the "population" type.

But an evil is at our doors, of a far more serious nature than any supposed by political theories. This is the sale of Government patronage; the bribery of public officers, and generally the use of popular institutions to get a vote, and to make it a matter of barter and sale.

The Government of New South Wales is like a ripe pear ready to fall into the lap of the lucky Minister who can discipline a majority. The art of bribery will be gradually reduced to a perfect system. Ministers will avoid the folly of directly managing their votes. In time, fortune will give them some adept in discovering what each supporter wants, without subjecting them to direct application. The skillful manager will know their secret wishes. A system of telegraph, with signals known to the initiated, will be established between the Ministers and their supporters; and a decent veil will be thrown over sinister designs and propensities not to be avowed.

The peculiar circumstances of this colony offer every facility to this bribery. We have a vast estate, and by the proposed land law its distribution will be in the hands of Ministers. They, by a stroke of a pen, will be able to make and mar men's fortunes. They can open the lands to one man, and seize them from another.

Beside the land management, there is the patronage of an ever extending web of offices, multiplying daily, and comprehending appointments of great value. It is fearful to reflect that judicial offices as well as others of great trust are at the disposal of parliamentary majorities, such as the present House gives; still more alarming when we look at the ever downward tendency in the popular choice.

We have another grand field of jobbery and corruption, full of intricacies and obscurities—the Contract department.

The plan left by the late Government was provident, and calculated to mitigate the risks of this branch of our affairs. The contractors, nine times in ten, are connected by business, or relationship, with the monetary dependence of the members of the Assembly. To obtain contracts favourable to the public, it is necessary that fairness should be secured. People who believe it is useless to tender will cease to do so. The Government will then always have the same set—and that set will be their own set—the end will be public robbery and official corruption.

That there might be every guarantee of fairness, the late Governments established Boards to deal with tenders. We are told that Boards are screens. They may be so; but it is far more likely that a bargain struck by a head of a department would be corrupted by acting alone—and it is equally likely, under the same circumstances, a bargain would be struck by a corrupt Minister. It is the impossibility of trusting several parties with a secret that makes it not only safer, but indispensable that no transaction involving money be left to one or two men. It is not at all impossible that a Minister will receive direct bribes; history does not lack examples. But it is positively certain that they will tacitly assent to a system of bribes, if necessary to the duration of their power.

The late case—the Albany mail contract—shows that Boards are not such useless things. Had the acceptance of a contract been with Major CHARTERIS, he must have either suffered a contract to be taken, in his view injurious to the public, or have exposed himself to the charge of bribery. He would have possessed no means to refute the insinuations which have excited such general indignation. As it is, the whole case is disclosed. We see the trails of events in all their windings. Hence the transaction between the contractor and the Minister, it would have required Indian sagacity to follow the doublings of Indian evasion.

Were men always honest we might dispense with half the labour of business. But the simplicity and directness which some so much admire would afford a boundless scope for the operations of villainy. Red tape is indispensable, however much it may be occasionally abused. The object of a Board is to have a chance that a bona fide opinion of what is best for the public may be obtained; that discussion may take place; that reasons may be given and

recorded; and, finally, that a Minister, who goes in the teeth of a competent authority, may be under some practical responsibility.

The general responsibility of Ministers, we repeat, as a protection against bargains, is a delusion. What does it amount to? They may be turned out of office by the Assembly, but who is to make the Assembly turn them out? The late Ministers were threatened with the loss of supporters, purely on selfish grounds—that is, for not giving what was equivalent to public money. The responsibility of Ministers is a great cheat—the reverse of the popular idea; a responsibility to men who may, if they choose, sell their votes for whatever the Minister can bestow. Boards are a check on one large department of bribery—for wherever money is to be expended, a honest Minister will desire a check; and a rogues Minister ought not to escape one.

[Sydney Morning Herald, November 13.]

THE SECOND READING OF THE LAND BILL.

It is quite time the colony generally gave some attention to the Land Bill, and the subjects which it embraces. We hope all parties will inform themselves of the relevant facts, and guard against those generalities which are the resort of empty declaimers. A part of the press has acted all through in bad faith, or has displayed a culpable ignorance. Nothing has been proposed by these oracles of liberalism; no single practical suggestion; no principle avowed in terms precise and intelligible; but an eternal babble about "this great country," "glorious destiny," "would-be aristocracy," "the poor man," "the far-seeing statesman," "broad elevated views," and other such-like words which tell upon unthinking people, who are born to be the prey and instruments of blatherskite and wind.

The debate on the second reading of the bill was stopped by an accident—that is by the forms of the House, declared by the SPEAKER. The vote of the majority for the second reading can not be understood to assent to anything but that it is necessary to make provision for the sale and occupation of Crown lands. True, Mr. MARTIN stated that he considered to be the principles of the bill, but that was his opinion. Had, however, his enumeration of them been correct, it is absurd to say that, when there are four or five distinct principles within the four corners of a general measure of great urgency, the House has no alternative but to reject the bill or stand by them all. Either then the five shillings clause should stand, or we would prefer the bill to be rejected. Rather than the power given to the Government should be confirmed, we should oppose the bill to the last; but we see no obstacle if the subject be approached in a fair and honest temper, to mould the bill into form, and make it generally acceptable to the country.

The five shillings clause is one great stumbling-block. We know that there are gentlemen prepared to lay out a quarter of a million of money forthwith if that clause be carried. Some of them have seats in the Assembly. We have heard them say that it would put into their pockets an incalculable advantage. Let it be remembered to their honour as upright men that they vote against this tempting clause—they do so on high ground. Were they stewards or executors for an infant taking advantage of their trust.

The argument on this subject have been so fully anticipated in this journal that we can only repeat what has already appeared.

The fallacy "that the land is worth only what it will fetch" is a mere jingling proverb out of place. What! the land of a territory as large as Europe—millions of acres, beyond imagination—that such land is worth only what the three hundred thousand inhabitants can pay for it! If this is to be the rule of sale, we need scarcely trouble ourselves to settle the price, it is a question of decimals—the precedence between a mite and a farthing. Yet this absurd statement is repeated again and again, because it is true in a provision market, where there is the alternative of selling at low prices at night, or waiting to the dawn of the morning.

Then has the five shillings clause touched this theory—Will the public lands fetch five shillings? When we hear people say this very upset price should be demanded, we are sure they at least do not in their inner souls believe that "land is worth what it will fetch and no more." It is difficult to believe that this statement is made in good faith. The value of land is not in relation to the present power of occupation, but to the prospective power. As people arrive it rises in value to the State;—and the question then is, shall we deprive ourselves of funds now cheerfully paid—by persons who obtain an equivalent in return—and give to private persons money which would enable us to facilitate emigration, pay for internal improvements, and give employment to labour? A successful speculator in land, will go home, just as does an unusually successful gold-digger. It is the diffusion rather than the accumulation of profits, which gives a breadth to improvement, and develops a country. We believe it will be found that every advocate for five shillings per acre has in view either the relief of the financial embarrassment of the treasury, or the purchase of land with a view of selling it again. Reference was made by Mr. PRIDMORE to a bill before the Tasmanian Council, to reduce the upset price of land in Tasmania to ten shillings. But the condition of that country is exceptional; it is like a small game-preserve in the middle of a great estate. If people can be drawn to that pleasant territory by the name of cheap land, then it must be recollected that the effect—this upset price—is chiefly confined to the new limits of occupation, lumbered with enormous trees, and that it presents difficulties of titillation incalculable. The proposal to reduce the price was carried by a small majority, with doubtful prospect of passing the Legislative Council. Tasmania has only lately freed herself from the incubus of convictism, and may have thought that some special inducements are desirable to retain the existing and to attract distant population.

We dissent from those who assert that our territorial revenue is not specially the security of the creditor. It has been always so described. It is said that our power of self-taxation is the true security; that if we were to give the land away the public creditor would be equally safe. We protest against this delusion. It is made in the face of facts; there is perhaps but one country in the world—England, which has kept faith when the payment of old debts has required new taxation. The democratic government makes this utterly hopeless. The gentlemen who sit in the Assembly now, doubtless believe all they say about the "good faith of the colony

to the foreigner"—we do not believe a word of it. A new House would use just the same language with respect to the public debt that we have heard so often respecting the engagements of the late Government—that the bargain was fraudulent. Our chief debt has been contracted for what has been described by many members as a "toy"—the "toy-maker" is now Premier. Now could anything release a people entirely from the obligation of a debt, it would be the history of this Colony—its expenditure—and, finally, the sale of the toy to the colony for a bonus, and script at a discount. The only chance for the public creditor is, that the land fund shall be held sacred, first, to discharge his claims; but if over general taxation is the only resource, we confess, we have not a grain of confidence—it would be in defiance of history. The pride of maintaining credit is lost in general liability.

It is asserted that it is no benefit to the public creditor to retain an upset price of land which will never sell at that price—and if this were all, who would dispute it? But it is no benefit to prevent the sale of lands of great prospective value, under a scheme pretended to sell none but of the lower value—no benefit to the creditor to prevent the sale, in a year or two, of so much land, that the Crown will have no land to sell within reach of the population increasing; when, in short, the private monopolist will stand where a prudent Government would have stood? It has been seen that in 1843 the price of private land was below the lowest minimum public price, or rather that it was unsaleable. It may be again. Effects apparently in opposition to each other, really are not so. If fifty men speculate in land, their experience will probably differ greatly;—to some it will be a fortune, to more it may be embarrassment, to many ruin. If then, an enormous land fund of this year be obtained, it must be drawn from the banks, the general community will suffer from the misdirection of capital, the value of land ultimately will fall, the quantity for sale by private persons will stop the sales of Government, and we shall see simultaneously a less capacity to support new taxation, with the necessity to impose it to save the credit of the country.

Our final views of the bill will depend on the form it assumes. Our first duty is to remove every obstacle to the settlement of the country; our second, to secure to the pastoral interest every advantage which can facilitate its development. It does not follow that the colony loses by a bargain because the squatters gain.

[Sydney Morning Herald, November 21.]

THE WITHDRAWAL OF THE CLASSIFICATION CLAUSE.

THE Ministers have already withdrawn from the Land Bill one of the "principles" by which they swore to stand or fall. Mr. MARTIN, in his opening speech, enumerated those "principles": "The classification of the Crown lands, that was one principle." This classification, where it was anything more than form, for town and suburban lots, of course, could not be sold at any such price as five shillings,—is now abandoned. Mr. COWPER said "that he was prepared to give that up if members would meet him half-way, and agree to fix the price at the uniform price of five shillings."

In one aspect of the subject, we look upon this as a desirable change. The scheme of classification, as it stood in the bill, was one of fraud, the most disgraceful to any Government; we do not mean in the intention of its originators, but in its inevitable results. It pretended to protect the sale of land fit for agricultural or other purposes of public importance, and in practice confined this power of reserve to the subordinates of the Minister. It would have placed lands beyond the reach of any person not willing to bribe, or unsupported by political connexions; and it would have enabled the Government or their servants to defraud the colony for the benefit of their friends. To have got rid of this principle is then a clear gain to public morals, if nothing more. We had rather have the land divided into squares, and distributed among all the inhabitants by lot, than tolerate the abominations couched under the disguise of the classification of "Country lands." An equal partition of the territory among its inhabitants, would be a breach of trust, no doubt; but the proposed classification would have been one continued process of demoralization.

But now the bill, relieved from this encumbrance, stands out as a naked scheme to put all the land of the colony, except close to towns, in the hands of a few rich men. We find among the pretended friends of colonization—among those who declaim loudly against the squatters—some who pretend to see in it neither wrong nor danger. They still talk of land fetching an auction what it is worth! It is not without regret that we find some members of the House reputed to be men of integrity and sense, who repeat this odious delusion. The entire lands of the colony if sold for what they would fetch, would fetch next to nothing! It is impossible to reply to an absurdity so transparent and puerile. Mr. COWPER does not venture quite so far. He has intimated that he has adopted five shillings as a "popular" price, and that it is not incapable of reduction; but nevertheless that it is necessary to put some reserve.

The effect of this reduction will be wholly favourable to a class, and entirely unfavourable to the colony.

We have already established among us a large number of men who have the command of capital; this capital they invest in various monetary institutions. It has been shown that the deposits in our banks furnish the greater part of the capital used in trade—that is, for discounts. The owners of this capital will be the chief buyers. The five shilling clause offers any kind of land for five shillings—persons disposed to speculate will employ people to search out all useful land. All this land will be open to their choice, and every morsel fit for the plough, and within reach of the markets, will be in their hands before two years are over.

It may be said they will compete with each other. They will be occasional competition, but of very brief duration. Auctioneers know well how difficult it is to keep up any competition when a good understanding exists among buyers. Land jobbing is ever based on tacit conspiracy.

Such was the state of things when speculation had withdrawn capital from the banks, sent nine firms in ten into the Insolvent Court, and stopped every form of public improvement—it will be so again.

We are told that people know their own interest too well to burn their fingers by land speculation. But many speculators would not burn their fingers; they would be able to wait for the reflux of the tide. Multitudes would fall about them, but the colony cannot fall. They would be prepared for the change, which is sure to come; and the estates bought up by their capital, for a time unprofitable, would at length often reach a larger rent than the purchase money.

All men trust to their own good fortune. In a time of speculation the coolest, wisest men, are entrapped. Some would, doubtless, be bitterly mistaken; but this would be no relief to the general misfortune.

The five shilling clause will be the ruin of many of the squatters. They will live under the constant dread of being bought out. They will be tempted by this dread to strain their resources to the utmost to convert their runs into fee simple. The consequences need not be foretold—their estates and stock will be sacrificed to the interest of their debts. This will be the case with many.

On the other hand, the five shillings clause will alienate for ever large sheepwalks. We cannot too often repeat that the price, in these instances, is altogether illusive; they buy, not so much land, but access to it—not acres, but practically miles. They will gain an unreasonable advantage, while their less fortunate fellow-squatters will be destroyed by what is said to be a boon.

And where will be "the poor man" all this while? Will he obtain his fifty acres of "arable land" for £12 10s.? We really are sorry to see the delusions of some who call themselves the friends of "the poor man." It is our solemn conviction that this scheme will put all the land fit for farms in the hands of rich men beyond redemption. They will not sell except at an enormous profit, because they will be able to let their land to a tenant. We have no objection to see the relations of landlord and tenant; when they grow up naturally; but we see no reason why the public at large should establish feudalism without any corresponding benefits—why it should assist the transfer of the fee-simple of the land to great monopolists, who will exact all the rights of the landlord, in the spirit of the usurer.

The only effect, then, of the change announced by the Ministry is this:—A dishonest shopman favours certain customers by selling to them loaf sugar for brown. His master discovers the cheat, and the shopman resolves to abandon the fraudulent favouritism, and throws open his master's goods to unrestricted selection at one price!

Mr. COWPER's bill by the classification opened a door to fraudulent preference—yet, in some cases, it might be expected to secure a fair upset price for superior land, because in some cases there might be no temptation to collusion. He destroys at one stroke both the temptation to cheat and the power to exact justice—and to make his bill popular gives to speculators an open field!

A question has been raised in the Assembly whether its members are disqualified by self-interest to vote on this question. We admit that the circumstances do not allow of their exclusion. But it justifies the public jealousy. There is every reason to fear that the personal interests of men are directly in the teeth of their public duty. There are ten men in the House, who beside their interests as squatters, or even having no interest as such, are well known to look to the proposed reduction as an advantage to themselves. They do not conceal from others what is transparent, that it would be worth their while to give any Ministry a bonus of many thousands of pounds for the privilege of choosing out of the public lands as much as they can buy at five shillings an acre.

We do not forget that there are among them some, who, on a higher principle than patriotism, that of COMMON HONESTY—REFUSE THE BARGAIN. The colony will recognise and applaud them.

[Sydney Morning Herald, November 27.]

CAPTAIN DENHAM'S SURVEY OF THE HARBOUR.

THE awful wreck of the Dunbar and the more recent, but less terrible, catastrophe of the Catherine Adamson, have turned the attention of the Government only, but of the people at large, to the necessity of more perfectly marking, by lights, the approaches to our harbour. The loss of the last named ship, indeed, was not attributable to any want of this kind; but it has nevertheless had the effect of keeping the popular feeling alive. This feeling has strengthened the hands of the Government, and, instead of any mere temporary or imperfect system of lighting, the unquestionably splendid harbour of Port Jackson will be rendered easy to approach and easy to traverse, either by night or by day, by the adoption of one of the most complete designs, as to lights and landmarks, ever devised.

The subject has been discussed in all quarters. There have been suggestions innumerable; some of them by thoroughly practical men and therefore worthy of the most serious consideration. But something far more effective than mere discussion, however competent the persons engaged in it, has in the mean time been gone on with. The captain, officers, and crew of H. M. S. Herald have quietly set themselves to work to make a complete and most elaborate survey of the harbour and its approaches. How they have accomplished it in the time we can scarcely understand, but the survey has been so perfect that the chart in which its results are shown, and which we have seen, is as much a map of the land beneath the waters as of the lands which border them. Every little shoal—every inequality of depth—is clearly traced by the most careful soundings. Every distance and position has been calculated and laid down with the utmost nicety. A very little consideration will show the great difficulties and labour of such a work. To survey and map down, with similar accuracy, even the same space of dry land, would be a stiff job. But the surveyors' assistants cannot run about with flags and chains, over the waters. There must be the most careful observations in every direction, with good instruments, and with a man or men who know how to use them. And not only must the series of angles be taken and laid down with the most minute exactness, but the same strict and continuous attention is necessary in the boats. They must traverse

the whole surface, feeling their way along the bottom with their lead lines. An ordinary observer, looking at a chart covered over with shadings and figures, may admire its execution, but can scarcely appreciate the enormous labour which the accurate delineation on paper, of the portion of our globe's surface there represented, must have occasioned.

The chart, and the beautifully executed drawings which accompany it, will reduce the task of entering and traversing Port Jackson to one of mere care. Every line of approach and of traverse is made plain even to the most unscientific eye. The lights and landmarks, which have been designed by Captain DENHAM, and which, as the necessary vote has already passed the Assembly, will in a few months be erected, will give such bearings to the mariner as will lead him clear of every danger, whatever his course. The sailing directions which afford the key to the chart and drawings are plain and simple. We will not attempt here to go into details. The design must be seen and understood as a whole to give a correct appreciation of its completeness and of the necessity of each component part. Some of the obelisks, for instance, were nearly voted in the Assembly last week, because honorable members could not understand the need of any such landmarks. It was easy, they conceived, for any one to traverse our harbour by day. It is so, in vessels of light draught and with ordinary care; but there are shallows in the (apparently) fair way on which a large ship, handled by a stranger, or by any one not well acquainted with the bearings and soundings, may stick. We have seen a fine ship of 800 tons fast upon one of these banks; and with a pilot on board, too. But with ordinary attention to the bearings which the obelisks will give, such an accident would be impossible even to a stranger.

The chart, drawings, and sailing directions will, we understand, be immediately despatched to England, and, as it will take some time to execute them, will be in the hands of shipmasters about the time that the new lights and obelisks are completed. All honour, then, to Captain DENHAM, and all honour to the men of science and the men of sinew—the officers and crew of the Herald—by whose aid this work has been accomplished. And we do hope that there will be something more substantial in the way of acknowledgment than mere thanks. When the naval estimates were considered last year, the proposed allowance for the ship was negatived in the Assembly upon the plea that she had been engaged in Imperial, not Colonial service. This was not wholly true even then, as her surveys in the Pacific must ultimately benefit the Australians more than Britain; for it is by these colonies rather than by the parent land that the commercial resources of the Pacific must be developed. But now, Captain DENHAM and his officers and men, have done such a service—a service of greater magnitude than twenty years of guardianship against foes who would probably never come—the same excuse for parsimony cannot hold good.

[Sydney Morning Herald, November 17.]

RAILROADS IN NEW SOUTH WALES.

CAPTAIN B. H. MARTINDALE, R.E., the newly appointed Commissioner of Railways, has presented his first report to the Secretary of Lands and Public Works.

His report as to the existing lines of railway confirms what has been already published. The permanent way of the line to Parramatta is in a most unsatisfactory condition. What with the needlessly heavy engines and the weakness of the Barlow rails, the joints have become bad, and the rails bent and twisted. He recommends that the rails should be gradually taken up, as they can be used in sidings, and a fresh permanent way constructed altogether. The other sections of railway are in a satisfactory condition, the unsatisfactory point being that they do not pay. The colony's railway account stands as follows:—There has been spent £1,049,194 8s. 5d. The interest on this capital is £23,459 14s. 5d., while the net profits are only £14,020 12s. 10d. The annual charge on the revenue is, therefore, £38,439 18s. Even this is somewhat too favourable a representation of the case, for there are some claims for land not yet settled, which will increase the capital account, while the revenue will be diminished in future, as the maintenance of the permanent way, which now devolves partly on the contractor, falls wholly on the Commissioners. The cost of working our railways is at present disproportionately great, absorbing not less than 66 per cent. of the receipts.

The extensions now in progress, viz., to Campbelltown and to West Maitland, will cost altogether £126,700, making the total capital sunk in railways £1,165,194—fifty-four miles being opened for that money. The gross proceeds, it is anticipated, will be £282,000, and the gross expenditure £66,800, leaving a net profit of £215,200, or 1.28 per cent. on the capital.

The projected extension for which Parliamentary sanction has yet to be obtained, namely, to Penrith, Picton, Windsor, and the Yellomill road, embraces 73 miles, and will cost £531,500, or about £12,000 a mile. As to the policy of making these extensions, Captain MARTINDALE declines to speak positively, because he has no reliable traffic returns on which to base an estimate. But, taking the returns of 1855-6 as the only data available, and assuming neither an increase nor a decrease in the traffic, he shows that, if the lines are carried out in conformity with the estimate, the total annual charge upon the revenue to meet the interest on the capital invested will be £59,670 13s. 7d. Without those extensions the charge will be £43,000. The additional price to pay annually for seventy-two more miles of railway will, therefore, be £16,670. It is reasonable to suppose that the goods-traffic will increase as the lines are lengthened.

The Legislative Council has taken the whole railway policy of the colony into consideration. A select committee was moved for by Mr. JACOB L. MOOREHEAD, which, having sat for some time, and taken a large mass of financial and engineering evidence, presented its report, which has since been adopted by the House.

The report of the committee opens a theory of railway construction, in its financial aspects, different from the policy hitherto adopted. They propose to grant to a company—to be formed—the power to make a railroad, to manage it, and to take all the profits of the undertaking.

They propose that the Crown shall grant all the lands necessary for roads and stations, so far as it may be in the hands of the Government, or subject to the liability to be taken for roads.

They propose to give the company land orders equal to one-fourth of the capital expended, exchangeable for any land within 50 miles of the line of road.

They propose to reserve to the Government of

the day the right to determine the actual value of the work done, without reference to its cost.

They propose also to reserve to the Government the right to determine the maximum fares, and other matters which may secure to the public a reasonable return for the privileges granted—a most essential part of the scheme.

Finally, they propose that the existing works shall be taken by the company at a valuation made when the other portions of the line are complete.

It is intended that the gradients shall be not more than one in 50, and the radius not less than 30 chains; thus admitting increased speed hereafter. The lines are at first to be single, and the minimum speed fifteen miles an hour. The advantages of this plan may be thus stated:

The colony will obtain a road, made and supported at the expense of the district through which it passes, and the people who use it.

The financial difficulty is entirely got rid of—the colony will have nothing to do with negotiating loans or paying interest of money.

The Government will be relieved from functions which can never be satisfactorily accomplished by officials under the Crown.

Finally, the increased value of Crown lands will be equal to the land granted to the company.

We need hardly represent how this plan would give employment to the colonial labourer, without the risk of its stoppage before the work will be complete; or how it would tend to concentrate population on the great highway.

The evidence on which this report is based will be considered by many of our English readers as possessed of deep interest, and we therefore subjoin an abstract of the principal portion of it.

The first person examined was Mr. G. K. INOZKOW, the manager of the Oriental Bank, who supplemented his evidence by a statement of a subsequent witness, intended to make his meaning free from misconception. His evidence is as follows:—

A loan to the extent of a million sterling at 5 per cent. might be raised in the colony, if about one-fourth or five years, as there is an accumulation of capital to the extent of about £200,000 or £250,000, that would be invested in that way. The debentures, however, should be terminable in about twenty-five years. In England, a larger sum might be raised, but it should be done in one loan, and not in dribbles, so that the jobbers may be able to make their calculations. The plan hitherto pursued of sending to England batches of debentures, has made capitalists shy of taking them, because the bank deposits the resources of the colony and determine the value of the security. Ten millions could not be raised, and any attempt to secure such an amount by increasing the rate of interest would have the effect of increasing the cost of the security. A loan of £100,000, raised in instalments of half a million annually, is as far as it would be prudent to go, and there would be satisfactory evidence to prove to the capitalists that the colony was in a sufficiently progressive state to bear each year the interest of the loan. The total interest on the five millions would be £250,000 a year, which is quite as much as the present population can bear. A great mistake is frequently made by assuming that the amount of the bank deposits indicates the amount of capital the colonists have which is lying idle seeking investment, and which is therefore available for lending to the Government. These deposits are not free; they are the accumulations prepared for retiring bills which have been discounted. If the banks were to restrict discounts by fifty per cent., the deposits would fall off in a like ratio. The deposits available for lending consist mainly of what is lodged in the Savings' Bank, and what is left in the banks to bear interest.

Mr. JOHN JAMES FALCONER, the superintendent of the Bank of Australasia, was next examined. He said, railways could not be made by money raised in the colony, nor could a large loan be present in England. Five per cent. interest would not be enough, yet to give more than six or seven per cent. would depreciate the security and awaken suspicion. The Victorian loan of eight millions would militate against the raising of any other loan. Mr. Wentworth, before his departure for England, proposed a plan for giving railway companies a bonus in the shape of remission tickets for land. By this plan the Government would be enabled to raise the cost of undertaking railways, debt would be avoided, and the public lands alienated, instead of being pledged.

Mr. ALEXANDER MACDONALD, formerly inspector of the Union Bank, was next examined. He gave testimony to the following effect:—No loan can be raised in the colony. At five per cent. £50,000 a year might be raised. At six per cent., £160,000 might be had to begin with, and £100,000 a year subsequently. The security of the loan would be the Victorian loan of eight millions, which would be rapidly absorbed in the purchase of land for investment are almost cleared away. The deposits in the banks, though figuring to a large amount, are nominal, for though the banks own the "loans" of £200,000, the colonists own the deposits of £700,000. The deposits are mainly to meet engagements connected with current transactions. A loan might be raised in England to the extent of five millions altogether, but not would be the limit. In full depressed times, to pay away £250,000 for interest would be a great part of our ordinary revenue. Looking at the whole, which all the other colonies are borrowing, a larger loan than this would not be obtainable even by raising a rate of interest. The Victorian loan of eight millions would militate against the raising of any other loan, but they have not got the money yet, nor will they get it, either in the colony or out of it, no matter what rate of interest they offer. If they offer too high, they will frighten people altogether. New South Wales debentures have lately been sold at a discount on the Stock Exchange, because people see no end to the issue of fresh debentures. They can never rise to a premium or be safe to hold, if a fresh supply is constantly issued, or if the necessities of the Government should compel a new series to be forced on the market at a discount. The full amount of the loan should be fixed, though it might be raised by instalments. The proceeds might be raised by a cession of land to any company undertaking the work. The capital could then be raised in England.

Mr. ZACHARY INOZKOW was next examined: There would be great difficulty in raising in the colony more than £50,000 next year. The profits in the colony have been much absorbed by floods, and it will take time for the settlers to replace their losses. Debentures already sold are in the market, and many that have been remitted to London would be sold if there were a market for them here. At this moment there are at least £200,000 or £300,000 of debentures for sale at two per cent. discount. A loan might be raised in England if capitalists had an assurance as to the limit of the debt. Spanish, South American, and Portuguese bonds, are in great disfavor, and Australian securities would be readily accepted if capitalists knew the maximum amount to be issued, and three months' notice were given of the issue. At five per cent. £100,000 per annum could be disposed of annually for the next three years; and, looking at the present indebtedness of the colony, that would be enough. At six per cent. £200,000 would be taken up next year, and £300,000 yearly for six or seven years to come. Next year it will be very difficult to place a loan, because so many sellers of debentures have previously issued are in the market. If the debt were limited to five millions, two millions and a half might be disposed of during the next seven years, though the Victorian loan would to some extent militate against it.

The fifth witness examined was Mr. JOHN WATT, director of the Union Bank. His evidence was to the following effect:—A loan to the extent of £200,000 might be raised in the colony at five per cent., but being the present rate of interest on bank and other stock. In England, a loan of five millions, in addition to the present debt, might be obtained under proper arrangements. The Victorian loan of eight millions would militate against it, so far as increasing the demand for money was concerned, but the whole raised millions for both colonies might be obtained. The money market was about to be easier, if it should not become so, it would be impossible for this colony to raise five millions. Debentures ought to be issued—say in twenty-five years. The principle on which the debt is incurred is, that it is raised on the security of the land; if a debt is funded, the land will continue to be sold, and thus the security will in time disappear. People about to invest money take that into consideration. The consolidated revenue was ample security at present, but it was uncertain how long it would continue so, as the debt would go on increasing as long as money could be borrowed. It is not desirable that a permanent debt should be created, and no means provided

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